

## **AMENDMENT TO OIL AND GAS LEASE**

THIS AMENDMENT TO OIL AND GAS LEASE ("Amendment") is made and entered into this 24<sup>th</sup> day of June, 2008, between Dewey Eugene Cozart and Wilma Louise Cozart Fine (collectively, "Lessor") and Canan Operating, Inc., a Texas corporation ("Lessee").

### **RECITALS:**

A. Lessor and Lessee are the parties, or successors in interest to the parties, to that certain Oil and Gas Lease (the "Lease") dated as of December 1, 2002, between Lessor and Lessee, recorded as Document Number D202370791 of the Official Records of Tarrant County, Texas.

B. Lessor and Lessee desire to amend the Lease in certain respects as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. **Defined Terms.** Unless specifically indicated otherwise herein, capitalized terms in this Amendment shall have the same respective meanings as are ascribed to them in the Lease.

2. **Royalty.** The Royalties payable under the Lease on production from the existing well are increased from 15% to 17%, effective as of 7:00 a.m. April 1, 2008. The Royalties payable on production from all additional wells shall be 20.0%.

3. **Proration Units/Retained Acreage.** Lessor and Lessee hereby delete subsections (c) and (d) of Section 7 of the Lease and replace them with the following:

(a) For any well completed above the base of the Barnett Shale formation, the proration unit shall not exceed 40 acres, except that as to a horizontal well of at least 2000' in length the proration unit shall not exceed 160 acres; and the proration unit for any well completed below the base of the Barnett Shale well shall not exceed the minimum acreage prescribed by the Railroad Commission of Texas for a full allowable.

(b) The proration units for wells completed below the base of the Barnett Shale formation shall be configured in a manner so as to allow the creation of the maximum number of proration units out of the land covered by this Lease, and the proration units for wells completed above the base of the Barnett Shale formation shall be configured so as to allow the maximum number of horizontal wells.

4. **Acreage.** If Lessor and Lessee should hereafter determine and mutually agree in writing that Lessor owns any presently unleased minerals under any roads or highways contiguous to the Land, then Lessor and Lessee agree that the same will be covered by this Lease, subject to Lessee's payment to Lessor of an additional bonus of \$15,000.00 per net mineral acre.

5. **Ratification.** Lessor and Lessee hereby ratify, confirm, and adopt the Lease, as modified hereby, and Lessor hereby leases, lets, and demises the entirety of the premises covered by the Lease unto Lessee on the terms and conditions set forth in the Lease, as modified by this Amendment.

EXECUTED by the parties as of the day and year first above written.

LESSOR:

  
\_\_\_\_\_  
**DEWEY EUGENE COZART**

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**WILMA LOUISE COZART FINE**

LESSEE:

CANAN OPERATING, INC.

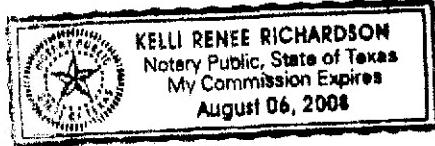
By:   
\_\_\_\_\_  
Printed Name: PATRICK A. CANAN  
Title: PRESIDENT

227088.1

ACKNOWLEDGMENTS

STATE OF TEXAS                   §  
  §  
COUNTY OF TARRANT               §

This instrument was acknowledged before me on the 24th June day of May, 2008, by Dewey Eugene Cozart.



Kelli R. Richardson  
Notary Public, State of Texas

STATE OF NEW YORK               §  
  §  
COUNTY OF \_\_\_\_\_               §

This instrument was acknowledged before me on the \_\_\_\_ day of May, 2008, by Wilma Louise Cozart Fine.

\_\_\_\_\_  
Notary Public

STATE OF TEXAS                   §  
  §  
COUNTY OF \_\_\_\_\_               §

This instrument was acknowledged before me on the 24th day of June 2008, by Patrick A Canan, President of Canan Operating, Inc., a Texas corporation, on behalf of said corporation.



Teresa Stafford  
Notary Public, State of Texas

AFTER RECORDING, PLEASE SEND TO:  
CANAN OPERATING, INC.  
P O BOX 9289

WICHITA FALLS TX 76308



CANAN OPERATING, INC  
PO BOX 9289

WICHITA FALLS TX 76308

Submitter: CANAN OPERATING

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SUZANNE HENDERSON  
TARRANT COUNTY CLERK  
TARRANT COUNTY COURTHOUSE  
100 WEST WEATHERFORD  
FORT WORTH, TX 76196-0401

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 07/10/2008 11:14 AM  
Instrument #: D208267826  
LSE 4 PGS \$24.00

By: \_\_\_\_\_



**D208267826**

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE  
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR  
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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